

SHL/JMW
2003R00390

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
	:	
v.	:	(Conspiracy to Misapply
	:	Funds, 18 U.S.C. § 371;
EDWARD T. NORRIS	:	Misapplication of Funds,
JOHN STENDRINI	:	18 U.S.C. § 666;
	:	Obstruction of Justice, 18
	:	U.S.C. § 1512; False
	:	Statement in Mortgage
	:	Application, 18 U.S.C. §
	:	1014; Aiding and Abetting,
	:	18 U.S.C. § 2)
	:	
	:	
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INDICTMENT

COUNT ONE

Conspiracy to Obtain by Fraud and Intentionally Misapply
Property of Baltimore Police Department

The Grand Jury for the District of Maryland charges:

Background

1. At all times relevant to this Indictment, the Baltimore Police Department was an agency of the City of Baltimore, and thus was an agency of a local government within the meaning of sections 666(d)(2) and 666(d)(3) of Title 18, United States Code.

The Defendants

2. At all times relevant to this Indictment, EDWARD T. NORRIS was the Police Commissioner of the City of Baltimore. By virtue of that employment, NORRIS was an agent of a local government agency, within the meaning of Sections 666(a)(1) and 666(d)(1) of Title 18, United States Code.

3. At all times relevant to this Indictment, JOHN STENDRINI was the Chief of Staff for NORRIS. By virtue of that employment, STENDRINI was an agent of a local government agency, within the meaning of Sections 666(a)(1) and 666(d)(1) of Title 18, United States Code.

The Executive Protection Unit

4. At all times relevant to this Indictment, certain officers of the Baltimore Police Department were assigned to an Executive Protection Unit ("EPU") that was responsible for providing security for NORRIS.

5. At certain times relevant to this Indictment, EPU Member #1, EPU Member #2, EPU Member #3, EPU Member #4, and EPU Member #5 were members of the EPU assigned to provide security for NORRIS. At certain times relevant to this Indictment, EPU Member #6 was a member of the EPU primarily assigned to provide security for NORRIS's wife and son.

The "Baltimore Police Supplemental Account"

6. In or about January 1929, the Baltimore Police Department established an "Athletic Fund," which was created in part from the proceeds from the sale of tickets to athletic events participated in by departmental teams. The Athletic Fund was used for, inter alia, expenses related to Baltimore Police Department athletic events and pistol team matches.

7. In or about October 1931, the Baltimore Police Department established the "Unemployed and Emergency Fund," which was created in part through contributions and donations. The Unemployed and Emergency Fund was used primarily to make temporary loans to indigent employees of the Baltimore Police Department. The fund was maintained at the Union Trust Co. of Maryland ("Union Trust").

8. In or about December 1933, after President Franklin D. Roosevelt declared a "bank holiday," Union Trust reorganized and replaced deposited funds in the Unemployed and Emergency Fund with shares of stock in Union Trust. These stock certificates, which were issued in the name of the "Police Commissioner of Baltimore City Unemployed and Emergency Fund," were held in a separate investment account in the same name.

9. In or about December 1936, the Baltimore Police Department established a "Christmas Basket Fund," which was created in part from commissions on the sales of theatre tickets and donations. The Christmas Basket Fund was used primarily to make

temporary loans to employees of the Baltimore Police Department and to make charitable donations.

10. In or about May 1983, the Athletic Fund and the Christmas Basket Fund, along with the checking account for the Unemployed and Emergency Fund, were closed, and the proceeds of those accounts were deposited into the newly-created "Baltimore Police Supplemental Account" (the "Supplemental Account").

11. Although there were no written guidelines governing the use of the Supplemental Account, the Supplemental Account was required to be used for the benefit of the Baltimore Police Department.

12. Between in or about December 1933 and in or about May 2000, the aforementioned Union Trust stock was converted into stock of several successor financial institutions, splitting several times and appreciating significantly.

13. On or about May 9, 2000, NORRIS was sworn in as Police Commissioner of the City of Baltimore. At the time, the balance in the Supplemental Account was approximately \$1,153.51.

14. On or about May 9, 2000, NORRIS directed the sale of approximately 2,500 shares of stock held in the "Police Commissioner of Baltimore City Unemployed and Emergency Fund." On or about May 23, 2000, NORRIS caused the proceeds of that sale of stock, approximately \$112,185.00, to be deposited into the Supplemental Account.

15. On or about October 15, 2001, NORRIS directed the sale of approximately 1,150 shares of stock held in the "Police Commissioner of Baltimore City Unemployed and Emergency Fund." On or about November 13, 2001, NORRIS caused the proceeds of that sale of stock, approximately \$50,112.35, to be deposited into the Supplemental Account.

16. On or about August 6, 2002, the Office of the Mayor directed that all activity in the Supplemental Account be suspended. At that time, the balance in the Supplemental Account was approximately \$12,904.81.

The Conspiracy

17. From in or about May 2000, up to and including August 2002, in the District of Maryland and elsewhere,

**EDWARD T. NORRIS and
JOHN STENDRINI,**

the defendants herein, unlawfully, willfully and knowingly did combine, conspire, confederate and agree together and with others known and unknown to the Grand Jury, to commit an offense against the United States, to wit, to violate Title 18, United States Code, Section 666(a)(1)(A).

Objects of the Conspiracy

18. It was a part and an object of the conspiracy that defendants EDWARD T. NORRIS and JOHN STENDRINI, being agents of the

Baltimore Police Department, an agency of a local government, used the Baltimore Police Department Supplemental Account to pay for luxury hotels, expensive meals, clothing, and gifts and to finance romantic encounters with several different women.

Manner and Means of the Conspiracy

19. Among the manner and means used by defendants EDWARD T. NORRIS and JOHN STENDRINI to achieve the objects of the conspiracy were the following:

Disbursements of Funds from the Supplemental Account

a. At all times relevant to this Indictment, the signatures of two duly authorized representatives of the Fiscal Section of the Baltimore Police Department (the "Fiscal Section") were required for funds to be disbursed from the Supplemental Account.

b. Because NORRIS and STENDRINI knew that funds from the Supplemental Account were to be used for the benefit of the Baltimore Police Department, NORRIS and STENDRINI signed and caused to be signed letters to the Fiscal Section authorizing the disbursement of funds from the Supplemental Account that gave the false impression that the funds were to be used or had been used for legitimate business expenditures.

c. In order to facilitate the disbursement or reimbursement of funds from the Supplemental Account, NORRIS advised employees of the Baltimore Police Department that STENDRINI

was authorized to sign these authorization letters on NORRIS's behalf.

d. NORRIS and STENDRINI directed members of the EPU to take the authorization letters to the Fiscal Section to obtain monies from the Supplemental Account.

e. In response to the authorization letters, employees of the Fiscal Section caused checks to be issued from the Supplemental Account, usually made payable to the EPU member who delivered the authorization letter. NORRIS and STENDRINI caused EPU members to cash the checks. NORRIS and STENDRINI then caused EPU members to hold the cash for NORRIS and to give the cash to NORRIS at his direction.

f. NORRIS and STENDRINI spent and caused to be spent some of the money disbursed from the Supplemental Account on personal matters, including expensive meals, hotels, gifts, and other items often related to romantic encounters with several different women in Baltimore, Maryland, New York City, New York, and elsewhere.

g. At other times, NORRIS and STENDRINI spent and caused to be spent money on such personal matters and caused authorization letters to be issued and receipts to be submitted to obtain reimbursement from the Supplemental Account.

Use of the EPU

h. NORRIS and STENDRINI caused EPU Member #1, whom they trusted to help conceal NORRIS's misapplication of monies from the Supplemental Account for personal purposes, to work excessive overtime. Even when other members of the EPU were available to accompany NORRIS during their regular shifts and EPU Member #1 had completed his regular shift, NORRIS and STENDRINI frequently caused EPU Member #1 to accompany NORRIS on personal business throughout the Baltimore area and in New York City and elsewhere.

i. NORRIS and STENDRINI routinely caused EPU members to transport NORRIS and female companions, including Female #1, Female #2, Female #3, Female #4, Female #5, and Female #6 in connection with romantic encounters at private residences and other locations in the Baltimore City area, including STENDRINI's apartment in Baltimore City, and in New York City and elsewhere.

j. NORRIS and STENDRINI routinely caused EPU members to earn overtime pay while waiting for NORRIS at residences and other locations during these romantic encounters.

Federal Nexus

20. In any one-year period from in or about May 2000 through in or about August 2002, the Baltimore Police Department received benefits in excess of \$10,000.00 under a Federal program or programs involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of Federal assistance. The structure, operation, and purpose of such Federal program or programs were of

such a nature as to constitute "benefits" within the meaning of Section 666(b) of Title 18, United States Code. Such program or programs provided funds for police officers' salaries and overtime and were also used as an additional source of financial support for the purposes for which the funds in the Supplemental Account historically had been used, including but not limited to community relations, crime control and prevention, officer training, and procurement of equipment. Misapplication of funds in the Supplemental Account by an agent of the Baltimore Police Department thus threatened the integrity of the Baltimore Police Department.

Overt Acts

21. In furtherance of the conspiracy and to effect the objects thereof, the following overt acts, among others, were committed in the District of Maryland and elsewhere:

a. On or about June 9, 2000, NORRIS directed EPU Member #1 to purchase approximately \$172.31 worth of alcohol with money from the Supplemental Account and transport the alcohol to NORRIS's residence.

b. On or about June 13, 2000, NORRIS purchased and caused to be purchased an Amtrak train ticket for Female #1 for roundtrip travel between Baltimore, Maryland, and New York City, New York with money from the Supplemental Account.

c. On or about June 19, 2000, NORRIS purchased and caused to be purchased Faconnable clothing for personal use for approximately \$61.85 from Nordstrom in Towson Town Center with money from the Supplemental Account.

d. On or about August 13, 2000, NORRIS shared a personal meal at Smith & Wollensky in New York City for approximately \$225.00 and paid for the meal with money from the Supplemental Account.

e. On or about September 26, 2000, NORRIS traveled to New York City for the purpose of shopping and paid for and caused to be paid lodging expenses at the Marriott Marquis in the amount of approximately \$254.48 with money from the Supplemental Account.

f. On or about October 16, 2000, NORRIS traveled to New York City for a romantic encounter with Female #1 and paid for and caused to be paid lodging expenses at the Best Western Seaport Inn in the amount of approximately \$274.67, travel expenses, including an Amtrak train ticket in the amount of approximately \$116.00, and dining expenses with money from the Supplemental Account.

g. On or about Friday, December 1, 2000, NORRIS reserved a room at the Wall Street Inn in New York City for personal reasons and paid for and caused to be paid those lodging

expenses in the amount of approximately \$268.14 with money from the Supplemental Account.

h. On or about December 22, 2000, NORRIS directed EPU Member #1 to purchase approximately \$579.05 worth of alcohol for personal use with money from the Supplemental Account and transport the alcohol to NORRIS's residence.

i. On or about February 13, 2001, NORRIS purchased and caused to be purchased lingerie and other personal items from Victoria's Secret at Towson Town Center for Female #1, Female #2, and Female #3 with money from the Supplemental Account.

j. From on or about Friday, February 23, 2001 through on or about Saturday, February 24, 2001, NORRIS traveled to New York City for a romantic encounter with Female #2 and paid for and caused to be paid lodging expenses at the Wall Street Inn in the amount of approximately \$170.75 and dining expenses with money from the Supplemental Account.

k. On or about June 29, 2001, NORRIS had a personal meal at Papillon Restaurant in New York City for approximately \$310.30 and paid for and caused to be paid dining expenses with money from the Supplemental Account.

l. From on or about July 11, 2001 through on or about July 13, 2001, NORRIS traveled to New York City for a romantic encounter with Female #1 and paid for and caused to be paid lodging expenses at the W Hotel in the amount of approximately

\$918.70 and dining expenses with money from the Supplemental Account.

m. On or about July 12, 2001, NORRIS purchased and caused to be purchased an item for personal use from Faconnable for approximately \$47.50 with money from the Supplemental Account.

n. On or about September 8, 2001, NORRIS purchased and caused to be purchased a leather case for personal use from Coach for approximately \$81.90 with money from the Supplemental Account.

o. On or about September 12, 2001, NORRIS purchased and caused to be purchased items for personal use from Chesapeake Knife and Tool for approximately \$220.48 with money from the Supplemental Account.

p. On or about September 12, 2001, NORRIS purchased and caused to be purchased items for personal use from Dan Bros. Discount Shoes for approximately \$163.95 with money from the Supplemental Account.

q. On or about September 20, 2001, NORRIS sent EPU Member #6 to New York City and thereafter directed EPU Member #6 to remain there, in order to facilitate romantic encounters with Female #2, who was then located in Baltimore. In order to extend EPU Member #6's stay in New York, NORRIS directed EPU Member #6 to purchase clothing for himself from Faconnable and other stores and

caused the amount of approximately \$423.04 to be reimbursed to EPU Member #6 with money from the Supplemental Account.

r. On or about September 27, 2001, NORRIS purchased and caused to be purchased two money clips for personal use from Coach for approximately \$62.70 with money from the Supplemental Account.

s. On or about October 23, 2001, NORRIS had a personal meal at Ixia Restaurant in Baltimore, Maryland for approximately \$153.10 and paid for and caused to be paid dining expenses with money from the Supplemental Account.

t. From on or about October 24, 2001, through on or about October 26, 2001, while en route to a conference of the International Association of Chiefs of Police (IACP) in Toronto, Canada from October 24, 2001, through October 31, 2001, for which he had been fully advanced funds from another Baltimore Police Department account, NORRIS traveled to New York City for personal reasons and incurred a bar bill in the amount of approximately \$67.00 with money from the Supplemental Account.

u. From on or about October 27, 2001, through on or about October 30, 2001, while in Toronto, Canada for the IACP conference, NORRIS purchased and caused to be purchased cologne, undershirts, and a leather jacket from Marcello Tarantino for personal use for approximately \$371.61 with money from the Supplemental Account.

v. From on or about October 27, 2001, through on or about October 30, 2001, while in Toronto, Canada for the IACP conference, NORRIS incurred a bar bill in the amount of approximately \$229.12 with money from the Supplemental Account.

w. From on or about October 30, 2001, through on or about October 31, 2001, after leaving the IACP conference early, NORRIS traveled to New York City for a romantic encounter with Female #1 and paid for and caused to be paid lodging expenses at the W Hotel in the amount of approximately \$657.58 and dining expenses in the amount of approximately \$753.91 with money from the Supplemental Account.

x. From on or about October 26, 2001, through on or about October 29, 2001, while purporting to attend the IACP conference in Toronto, Canada, JOHN STENDRINI traveled to the Prince of Wales Hotel in Niagara-on-the-Lake, Ontario, Canada for a romantic encounter and paid for and caused to be paid lodging expenses in the amount of approximately \$1,428.00 with money from the Supplemental Account.

y. On or about November 17, 2001, NORRIS purchased and caused to be purchased custom-made shirts for personal use from The Shirtery in Baltimore, Maryland for approximately \$242.50 with money from the Supplemental Account.

z. On or about November 28, 2001, NORRIS purchased and caused to be purchased items for personal use from Dick's

Sporting Goods and Dan Bros. Discount Shoes for approximately \$169.99 with money from the Supplemental Account.

aa. On or about December 6, 2001, NORRIS incurred a bar bill in the amount of approximately \$210.00 at the Pisces Bar at the Hyatt Regency Hotel in Baltimore, Maryland with money from the Supplemental Account.

bb. On or about December 6, 2001, NORRIS had a romantic encounter with Female #6 at the Hyatt Regency Hotel in Baltimore, Maryland and paid for and caused to be paid lodging expenses in the amount of approximately \$123.75 with money from the Supplemental Account.

cc. From on or about December 17, 2001, through on or about December 19, 2001, while purporting to attend the funeral of STENDRINI's mother in New York, NORRIS stayed at the W Hotel in New York City for personal reasons, including an interview for employment with the Nassau County Police Department, and paid for and caused to be paid lodging expenses in the amount of approximately \$1,187.28 and dining expenses at Smith & Wollensky in the total amount of approximately \$544.35 with money from the Supplemental Account.

dd. On or about January 23, 2002, NORRIS had a personal meal with Female #4 at Fleming's Steakhouse in Baltimore, Maryland for approximately \$367.10 and paid for and caused to be paid dining expenses with money from the Supplemental Account.

ee. From on or about Friday, March 1, 2002, through on or about Sunday, March 3, 2002, NORRIS traveled to New York City for personal reasons and paid for and caused to be paid lodging expenses at the W Hotel in the amount of approximately \$455.87 and travel expenses in the amount of approximately \$368.00 with money from the Supplemental Account.

ff. On or about March 10, 2002, NORRIS purchased and caused to be purchased an Amtrak train ticket in the amount of approximately \$68.00 for Female #6 for travel from Baltimore, Maryland, to New York City for a romantic encounter with money from the Supplemental Account.

gg. From on or about April 2, 2002, through on or about April 4, 2002, NORRIS entertained three friends from New York City who were visiting Baltimore for personal reasons and paid for and caused to be paid their lodging expenses at the Radisson Hotel at Cross Keys in Baltimore, Maryland in the amount of approximately \$472.52 with money from the Supplemental Account.

hh. On or about April 3, 2002, NORRIS attended an Orioles-Yankees baseball game in Baltimore, Maryland with a group that included several personal friends, including a manager of Smith & Wollensky in New York City, NORRIS's tailor, and Female #7 and Female #8. During the game, NORRIS and STENDRINI purchased and caused to be purchased food and alcohol in the amount of approximately \$413.57 and jackets, sweatshirts, and other Orioles

merchandise in the total amount of approximately \$963.10 with money from the Supplemental Account.

ii. From on or about Friday, April 5, 2002, through on or about Saturday, April 6, 2002, NORRIS traveled to New York City for personal reasons and paid for and caused to be paid lodging expenses at the W Hotel in the amount of approximately \$227.36, dining expenses in the amount of approximately \$420.45, and travel expenses, including an Amtrak train ticket in the amount of approximately \$138.00, with money from the Supplemental Account.

jj. From on or about Saturday, April 13, 2002, through on or about Sunday, April 14, 2002, NORRIS traveled to New York City for personal reasons and paid for and caused to be paid dining expenses in the amount of approximately \$156.45 and travel expenses in the amount of approximately \$69.98 with money from the Supplemental Account.

kk. On or about April 18, 2002, NORRIS purchased and caused to be purchased candleholders and candles for personal use from The Store Limited for approximately \$49.35 with money from the Supplemental Account.

ll. From on or about April 23, 2002, through on or about April 24, 2002, NORRIS purchased and caused to be purchased an item for personal use from Il Bisonte in New York City for approximately \$200.00 with money from the Supplemental Account.

mm. On or about May 28, 2002, while purporting to attend a terrorism meeting in New York City that he knew had been postponed, NORRIS traveled to New York City for shopping and other personal reasons and paid for and caused to be paid lodging expenses at the W Hotel in the amount of approximately \$495.12 and dining expenses at Smith & Wollensky in the amount of approximately \$284.20 with money from the Supplemental Account.

nn. On or about Friday, June 14, 2002, NORRIS traveled to New York City for a terrorism meeting that lasted until approximately 4:00 p.m. From Friday evening, June 14, 2002, through on or about Monday, June 17, 2002, NORRIS stayed in New York City over Father's Day weekend for shopping and other personal reasons and paid for and caused to be paid lodging expenses at the W Hotel in the amount of approximately \$553.05 and dining expenses at Smith & Wollensky in the amount of approximately \$165.68 with money from the Supplemental Account.

oo. In or about July 2002, in an effort to conceal the misapplication of additional monies from the Supplemental Account, STENDRINI falsely represented to an official with the Office of the Mayor of Baltimore City that the unaccounted for funds were in a safe in NORRIS's office.

pp. In or about July 2002, in a further effort to conceal the misapplication of additional monies from the Supplemental Account, STENDRINI and EPU Member #1 submitted

envelopes to the Fiscal Section containing cash totaling more than approximately \$12,000.00.

18 U.S.C. § 371

COUNT TWO

**Obtaining by Fraud and Intentionally Misapplying
Property of Baltimore Police Department**

The Grand Jury for the District of Maryland further charges:

1. The allegations contained in paragraphs 1 through 16 and 19 through 21 of Count One of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

2. From on or about July 11, 2001, up to and including on or about July 10, 2002, in the District of Maryland and elsewhere,

**EDWARD T. NORRIS and
JOHN STENDRINI,**

the defendants herein, being agents of the Baltimore Police Department, an agency of a local government having received benefits in excess of \$10,000.00 under a Federal program or programs involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of Federal assistance, together with a co-conspirator not named as a defendant herein, unlawfully did embezzle, steal, obtain by fraud, and otherwise without authority knowingly convert to the use of any person other than the rightful owner and intentionally misapply property owned by, and under the care, custody, and control of, the Baltimore Police Department which was valued at \$5,000.00 or more, to wit, EDWARD T. NORRIS and JOHN STENDRINI, made and caused to be made personal expenditures with money from the Supplemental Account.

18 U.S.C. § 666(a)(1)(A)
18 U.S.C. § 2

COUNT THREE

Obstruction of Justice

The Grand Jury for the District of Maryland further charges:

In or about July 2002, in the District of Maryland,

JOHN STENDRINI,

the defendant herein, knowingly engaged in misleading conduct towards another person, to wit, the First Deputy Mayor of the City of Baltimore, with the intent to hinder, delay, and prevent the communication to a law enforcement officer and judge of the United States of America of information relating to the commission and possible commission of a federal offense, that is, the defendant knowingly and falsely stated that more than approximately \$12,000.00 in unaccounted for funds from the Supplemental Account were in a safe in NORRIS's office, when in truth and in fact those funds had been spent and caused to be spent by NORRIS and STENDRINI for personal purposes, in order to prevent the Office of the Mayor of the City of Baltimore from communicating to the United States Department of Justice and judges of the United States of America information relating to the commission and possible commission of a federal offense, to wit, the offenses charged in Counts One and Two, above.

18 U.S.C. § 1512(b)(3)

COUNT FOUR

False Statement in a Mortgage Application

The Grand Jury for the District of Maryland further charges:

In or about December 2000, in the District of Maryland,

EDWARD T. NORRIS,

the defendant herein, unlawfully, willfully and knowingly did make a false statement for the purpose of influencing the action of an insured State-chartered credit union upon an application, advance, commitment, and loan, to wit, EDWARD T. NORRIS made and caused to be made a false representation in an application for a mortgage from the Municipal Employees Credit Union and submitted and caused to be submitted a false gift letter in support thereof.

18 U.S.C. § 1014

18 U.S.C. § 2

Thomas M. DiBiagio
United States Attorney

A TRUE BILL:

Foreperson

Date: _____